

OCC ADVISORY LETTER

Comptroller of the Currency
Administrator of National Banks

Subject: Year 2000 Guidance on Testing

TO: Chief Executive Officers of National Banks and Federal Branches, Department and Division Heads and Examining Personnel, and Data-Processing Centers servicing National Banks and Federal Branches

This advisory is to alert you to the recent release of an FFIEC interagency statement on the Year 2000 problem. "Guidance Concerning Testing for Year 2000 Readiness" supplements previous FFIEC interagency statements by describing FFIEC expectations regarding the Year 2000 testing efforts of financial institutions.

This guidance identifies key milestones and testing methods for financial institutions to use to prepare their systems and applications for the Year 2000. Financial institutions should develop and implement written testing strategies and plans to test both internal and external systems (including hardware, software, and environmental systems). The plans should include, at a minimum, the following elements: testing environment, testing methodology, testing schedules, human and financial resources, critical test dates, documentation, and contingency planning. Financial institutions should test mission-critical systems first.

The FFIEC expects financial institutions to meet the following key milestones. On or before:

June 30, 1998	Institutions should complete the development of their written testing strategies and plans.
September 1, 1998	Institutions processing in-house and service providers should have commenced testing of internal mission-critical systems, including those programmed in-house and those purchased from software vendors.
December 31, 1998	Testing of internal mission-critical systems should be substantially complete. Service providers should be ready to test with customers.
March 31, 1999	Testing by institutions relying on service providers for mission-critical systems should be substantially complete. External testing with material other third parties (customers, other financial institutions, business partners, payment system providers, etc.) should have begun.

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Testing of mission-critical systems should be complete and implementation should be substantially complete.

In addition to testing for the rollover from December 31, 1999 to January 3, 2000, financial institutions should also test for several other date rollovers. Among those dates is September 9, 1999. This date will show up as 9999, which denotes the "end of input" in many computer programs.

A financial institution's reliance on third parties to design, implement and manage their systems will affect the institution's involvement in testing. This guidance addresses options for testing internally developed systems as well as testing with service providers, software vendors and other third parties.

Failure to fix and adequately test mission-critical systems could mean the difference between continuing to function and becoming an early resolution candidate.

For further information on Year 2000 issues, contact the Year 2000 Supervision Policy Division at (202) 874-2340.

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[Attachment](#)